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The Growing Potential of the Men's Grooming Segment in
Austria

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ABSTRACT

Men's grooming has become an attractive and lucrative, yet challenging market within the personal care industry. Given men's ever more sophisticated grooming routine, companies are faced with the necessity of adjusting to local adaptations and trends.

The current study therefore chose to focus on an analysis of men's grooming habits and routines in Austria. The findings suggest that companies should focus on the skin care sector, as it offers a variety of growth opportunities. Furthermore, the male consumer decision journey has developed into a complex cycle. Therefore, implementing targeted marketing activities and providing information for decision-making to trigger needs are essential to capture the consumer.

Key words: Men's grooming, personal care, skin care, Austria, consumer decision-making

ACKNOWLEDGMENTS

With this master's thesis I will close one chapter to the past, but I will not close the book. I will just turn the page and start a new one.

I want to thank my thesis supervisor Luis Rodrigues for giving me freedom, encouragement and guidance throughout this semester. I highly appreciate his input and valuable contributions. Furthermore, I want to thank my friends whom I met along my journey and now call family. Going through this together made every moment count. Last but not least, I want to thank my parents and family who supported me from the beginning with no questions asked and always encouraged me to fulfil my dreams.

1. INTRODUCTION

According to recent findings, women are the top spenders in the personal care sector: toiletries, make-up and hair products, just to name a few. They are not only financially invested, but also dedicate the most time to their appearance (Euromonitor, 2013).

Yet a noticeable change in the beauty and personal care product range is emerging. The fact that men now pay increasing attention to their personal appearance has become socially acceptable. This trend is also reflected in the widened product portfolio offered to them (Euromonitor, 2013). On average, one third of men spend more than thirty minutes on grooming per day (Euromonitor International Personal Appearance Survey, 2014). Following this trend, companies have identified a number of opportunities for male beauty and personal care which are tailored to the special needs of appearance-conscious men. Due to the growing demand, creating more male-specific products will become essential for companies, which must support rising grooming habit needs as well as help men to feel more comfortable when using beauty and personal care products (Holmes, 2014).

Although the demand for men's grooming is on the rise, demographic differences in the dedication to male grooming and the use of beauty and personal care products exist. Depending on age and nationality, self-care is understood in a variety of ways. Some spend hours in front of the mirror: others only seconds - yet it can be said that the global consumer definitely invests time in his appearance. Due to varying habits across the world, the personal care product portfolio also differs. Companies should adapt to the local demand for grooming products, a demand which is also reflected in the variety and impact of the range of lotions, cleansers, tools, etc. offered.

This paper will report on the study of a variety of grooming habits across countries and how companies meet the needs of self-care-conscious men. The European consumer is of particular interest as he represents the high-maintenance consumer, meaning he puts more effort into his

appearance (Holmes, 2014). The German market is home to subsidiaries of many multinationals that are the leaders in the men's grooming category and help foster the trend. These headquarters also develop strategies and provide solutions for the D-A-CH region in order to cover the German-speaking and common economic area.

To determine the similarities between the common economic areas, a closer look at Germany and the smaller Austrian market will be taken as a first step. In a second step, an empirical study is designed to identify the grooming needs of the Austrian consumer. Third, a company comparison will be undertaken to see how these entities tackle the needs of Austrian men.

The subsequent findings of this study aim to help company managers design appropriate management strategies in regards to product portfolio, and develop marketing strategies to reach the consumer. Also, new opportunities to meet the demand of fast-changing consumer needs will be explored.

Due to lack of research on the potential of men's grooming, the exploratory research question is posed as follows:

<p><u>Research Question:</u> Do multinationals meet the needs of men's grooming in Austria?</p>
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2. MALE GROOMING ACROSS COUNTRIES

When looking across the globe, we see that men's grooming has emerged in all countries and is reported to have doubled its category size within the last 10 years (Euromonitor, 2013). The top markets for male toiletries include Brazil, South Korea, the US, Germany, India, UK and China. Worldwide, the grooming segment has become a very lucrative market, with an estimated value of £14.8bn for 2016 (Fury, 2016). Male grooming is the second fastest-growing category within the beauty category and has accounted for 6% annual growth since 2008. Even during the peak of the economic downturn, men's personal care reported strong purchasing power and is therefore of particular interest to beauty players (Tyrimou, 2015). This development evolved through men's becoming more sophisticated in their grooming habits but

also through the wide range of more male-specific goods which have replaced unisex products (Tyrimou, 2015).

As for the main drivers in this category, shaving products and deodorants report the highest share in sales. Yet men's toiletries, in particular skin care, are the fastest-growing market segment with many market-entry opportunities. Market analysts predict that between 2012 and 2017 skin care will outpace the current leader, i.e., shaving products (DeWolf Chemicals, 2016). However, while many segments in male grooming are growing, others face hard times. In particular, razor and shaving accessories sales will drop due to the trend of facial hair such as the "hipster beard". Further key factors that influence this trend are: time lost due to daily shaving, the rise of unemployment in some countries and also the relaxation of the business dress code (Tyrimou, 2015). This shift in sectors can be seen primarily in western Europe, in particular in Germany, France, Italy and the UK, a change which will result in a decline of \$100 million by 2018 in razor sales. In emerging markets such as Latin America and India the opposite is true, as system razors enjoy increasing popularity and the demand for disposables is declining. Therefore, on a global scale this segment will continue to maintain a steady growth level.

When looking to capturing male consumers DeWolf defines market trends that have an impact on product development. Mainly products with added value and multifunctional benefits are favored by the male consumer. These customers seek products that are "fast and effective problem solvers", such as shampoo and conditioning in one, anti-dandruff combined with anti-hair loss properties or skin care products with anti-aging and sun protection benefits (DeWolf Chemicals, 2016).

Due to the many opportunities and growth possibilities in the men's grooming segment, a wide selection is currently available on the market. Multinationals from the personal care sector, as well as many smaller companies, have entered the market with multinationals dominating the

segment. One key success strategy is to offer products that keep up with emerging trends. According to Matthew McCarthy from Unilever, one of the biggest FMCG companies, the offering should provide a “full head-to-toe regime that help men to look good” (McCarthy, 2016). Looking good has a subjective meaning. Yet research shows that two key user groups exist: first, men who want to maintain good personal hygiene, health and wellbeing and second, men who focus only on their physical appearance. This split into two groups results on the one hand in the rise of new categories, but also in the launch of several variants under the same brand, e.g., Nivea Men (Beiersdorf) or Dove Men+Care (Unilever) (Imogen, 2015).

Nevertheless, offering the products is one thing but communicating in order to reach the consumer is challenging and quite new for the industry (Gallon, 2012). Marketing for men differs from marketing for women. The sales universe is mainly female-oriented: therefore specific communication strategies for men need to be implemented (Gallon, 2012). Men need to feel comfortable when shopping for personal-care products, but they also need to be educated on which grooming products to buy and how to use them. All this in the responsibility of the grooming provider (Gallon, 2012). Additionally, the male shopper is interested in convenient shopping solutions. For example, grocery retailers can benefit from offering male personal care products, and often provide a limited range which is grouped in one location to simplify the selection process (Caley, 2016).

In addition to all of the factors mentioned above which must be taken into consideration, demographic differences, as already stated, also influence the offering and communication approach of male-grooming providers. The following section therefore will take a closer look at Germany’s approach to fulfilling the needs of consumers. As the Austrian market is influenced greatly by Germany, this section will already include implications for the target market.

3. MALE GROOMING IN GERMANY

Germany is one of the top markets for men's grooming. In 2015, the personal care sector for men grew by 1 % to a current value of €2.5 bn. It is predicted to grow further at a constant CAGR rate of 1% and to reach €2.6 bn in 2020 (Euromonitor, 2016). This growth was generated through the variety of products as well as by their increased availability. The increased assortment was necessary to fit the specific needs of the consumers. The higher availability of the products resulted in rising convenience and selection. Men's grooming products grew by 2% and the production volume grew by 1%. Research shows that the main purchasing factor is efficacy and efficiency of the products. In particular, multifunctional and straightforward products had a positive impact on the growth of this segment (Euromonitor, 2016).

As in many segments, a further key driver for men's grooming is innovation. In the hair care segment innovation is important to men, with hair-thickening, growth formulas and anti-dandruff products reporting the most dynamic growth. A second segment that recorded growth is men's deodorants and the bath-and-shower segment. This growth was made possible through line extensions of perfumes and fragrances, in which companies created a complete care system based on men's favourite scents (Euromonitor, 2016). This initiative was very well received as it was convenient for the male consumer.

As already seen, men's shaving has faced a decline in growth on a global scale. The demand for shaving products has diminished as beards remain in style. Another threat within the shaving segment are razor systems and multi-functional products that, for example, can be used both wet and dry. These razor systems work with refill blades, meaning that only the blades are purchased rather than new razors. All this has limited the shaving sector's sales potential and the trend is predicted to continue influencing this segment negatively (Euromonitor, 2016).

A further prominent segment within men's grooming is skin care, in particular facial care. 82% of overall sales of skin care products is attributable to the facial-care ranges. The main driver here is the tendency for men to want to look youthful and healthy. As the face is the first

indicator of aging, men seek out products that address that area. Yet even in this segment men prefer easy-to-use facial products with lighter scents. This contrasts with female products, which have strong scents and additional features, such as make-up. All this resulted in high-value sales of 81% retail value (Euromonitor, 2016). Within the segment of skin care, body care also offers underestimated potential. So far, body care products for men account for only 13% of value share. This is because the selection and its acceptance is still far lower compared to that of female products. In order to take advantage of the potential, manufacturers need to communicate the importance of body care for men. So far body care is perceived as time-consuming and unnecessary (Euromonitor, 2016).

Manufacturers must identify the right pricing strategy for the German consumer. Research states that the German consumer is very price-sensitive regarding personal care products, a fact which also has had an impact on the current value growth.

When looking at companies within the grooming category in Germany, Procter & Gamble is clearly in the leading position with its shaving brand “Gillette” (Euromonitor, 2016). Yet Procter & Gamble was also affected, in regards to company value, by the small decline of the men’s shaving products and mass fragrances. Henkel, also a manufacturer with a strong current value growth, was particularly successful through its comparably low-priced men’s hair care and deodorants lines. Henkel is followed by Rossmann, whose products lines are considered high value-for-money, a factor which appeals to German men. In addition, through line extensions that focus on men’s specific needs, Rossmann increased its popularity in the market. Nevertheless, through constantly growing portfolios despite competition from multinationals with their well-known brands, private labels have not been able to capture a larger slice of the market. Unilever comes in second in regards to value shares. With their brand “Axe” they are head-to-head with “Nivea for Men” (Beiersdorf), and number one in regards to brand shares within the Men’s Grooming segment. Yet four out of five manufacturers are international

companies. They gained this position through a wide consumer base, which strengthened their position within Germany (Euromonitor, 2016).

Male grooming in Germany has established itself with a broad product offering as well as many manufacturers responding to the needs of the male consumer. The trend suggests further development of this category in Germany. Society will continue to emphasize the importance of well groomed and well cared for men and manufacturers will keep broadening the spectrum of the product portfolio, supporting positive growth (Euromonitor, 2016). Offering line extensions of popular fragrances in complete sets, e.g., shower gel, lotion and fragrance, goes over well with consumers, as such products provide a convenient solution. Also, multi-functional products will become more and more important, as these are most highly valued by consumers. All this will result in a growing selection of products, which will lead in turn to an increased awareness of the possibility to purchase male-specific products. Here manufacturers have to mark products clearly and simply with a straightforward package design. Moreover, manufacturers have to understand that men and women exhibit different purchasing behaviours, and that they assign different priority rankings.

4. MALE GROOMING IN AUSTRIA

Austria is a rather small market compared to Germany. Yet, due to the common language and joint economic area, Austria has a strong tie to Germany. Many German companies, such as the multinationals Henkel or Beiersdorf, long ago opened their business operations in Austria in order to benefit from the economic similarities.

Austrian men continue to pay increased attention to their personal care habits. Currently a per annum growth of 1% can be seen which resulted in total sales of €222 million in 2015 (Euromonitor, 2016). Nevertheless, the category is losing pace as it reaches maturity. The reason for the slow-down are market saturation and fierce competition. All in all, the category is expected to rise at a 1% CAGR to reach €232 million by 2020.

The number one segment in Austria in terms of value growth is men's razors and blades, which increased by 2% in 2015 (Euromonitor, 2016). Yet the shaving segment is mature and saturated, a fact which is reinforced by intense competition. In particular, the "5 o'clock shadow" is a wide-spread trend in Austria: shaving on a daily basis is therefore not necessary, leading this segment to decline. As already observed in Germany, men's skin care also reported expansion and is treated as a segment with further growth potential. Here it can be stated that the lack of use of skin care is the main cause of the low pace of volume growth. In particular, facial care has high value of sales with 90% within the skin care segment, followed by body care and hand care. Austrian consumers like sensitive skin care and facial care that reduces a tired appearance and shows instant results.

Also the use of men's deodorants continues to grow. They are indispensable to the daily routine of the Austrian man, in particular to the younger age group. This segment turned out to be very dynamic due to innovation on the part of the leading companies. Also, a strong segmentation in usage, for example, specifically for active people, colour detail, etc., makes this segment very dynamic.

Furthermore, men's bath and shower products also continue to grow with a value growth of 1% annually, yet, hair care grew only slightly. This segment is also faced with fierce competition from standard products and price promotion. Additionally, these products are used on a daily basis which makes them appear to be a commodity, making pricing is a crucial factor.

All in all, products that focus on skin-friendliness were popular with the Austrian consumer (Euromonitor, 2016). Fragrance and effectiveness come in next and generated great demand. Also, products that address sensitive skin are well received. When it comes to natural and organic products, men do not assign any particular importance to these attributes. In general, the Austrian man is very price sensitive and is not willing to spend more money for products that claim to be natural or organic.

Pricing plays an important role, due to the dynamic of the Eurozone and the global economies, which results in Austrians having an increased awareness of their spending. The average unit price therefore continues to decline. On the other hand, several sub-categories, in particular skin care products and premium products, actually benefited from increased unit prices (Euromonitor, 2016).

It is no surprise that also in Austria, multinationals are the key players in men's grooming. They are also the main influencer of creating consumer interest and awareness. The vibrant dynamic of the men's self-care category was also triggered by the multinationals. This was mainly because of their large resources, marketing know-how and investments, which led to the expansion of the category and influenced impulse purchases.

Procter & Gamble Austria GmbH is the leader in this category with 24% value share. As in Germany, "Gillette" is the leading brand with its broad spectrum of shaving products. Through technology-enhanced and innovative products it continues to maintain its leading position. Unilever Austria GmbH comes in second, with a value share of 10% in 2015 (Euromonitor, 2016). Especially with its brand "Axe", it leads in terms of brand share. "Axe" has a broad range of products in different categories, which include men's deodorants, bath and shower and hair care. "Axe" is particularly popular with the younger generation.

Beiersdorf comes in third, with a value share of 7%. "Nivea Men" is the leading brand in men's skin care but is also represented in other subcategories such as toiletries. Their products are perceived as highly credible in Austria, with an attractive value-for-money ratio. With multinationals leading this category, smaller private labels are not as strong and have a combined value share of only 5%. Also, retailers are targeting the men's grooming category and enlarging their product range. Yet, not only low prices, but even more so, unique selling points are important to consumers (Euromonitor, 2016).

In order to reach the consumer, marketing as in advertising and promotion are crucial in expanding the men's grooming category. For Austria, celebrity endorsement featuring sports stars is a popular approach. Just as in Germany, men like simple and easy-to-find placements in stores. Shopping aisles that contain all men's personal care products together in one place have proven to work best. This helps the consumer make a decision based on comparing prices and brands (Euromonitor, 2016).

In conclusion, the men's grooming category in Austria has also established itself and will continue to grow. In particular, innovation and technologically enhanced launches with focus on instant results and convenience will foster demand. The skin-care segment is expected to continue to grow, and companies will introduce new innovations in the upcoming years. Here companies that have earned a good reputation have good chances of increasing their success. Also, shaving will continue to grow due to the large value share of men's system razors and refill blades.

In order to maintain the success, marketing strategies and innovation are the most important factors to expand the consumer base, creating new opportunities for manufacturers (Euromonitor, 2016).

With headquarters in Germany, multinationals have to question whether to adapt locally or to pursue a global strategy. As stated, local adaptation is necessary to be successful. Nevertheless, implementing a global strategy in some organizational structures can be beneficial as well. For multinationals operating in Austria, the process of fulfilling local needs is rendered more difficult. As seen in the comparison above, Austria and Germany have similar consumer needs and also similar approaches on how to comply with needs. Yet further local adaptations can be beneficial to capture opportunities and undiscovered consumer demands.

The following empirical study will focus on Austria and the Austrian consumer. The goal is to further understand how companies meet the demand of the consumer and to identify additional opportunities that have not yet been considered.

5. METHODOLOGY

In order to learn more about the Austrian consumer in terms of grooming habits, product use and beauty and apparel purchasing decision, a quantitative research method was chosen. A survey with 25 Questions was sent out on 20.11.2016 on a variety of platforms, including Facebook, in order to reach the target group. The respondent pool is based on convenience sampling. The survey was sent out to Austrian male participants that use personal care products. Different age groups were addressed in order to achieve a diverse set of online panellists. A pre-screening of the panellists was undertaken in order to ensure that the sample included appropriate representation.

The main results of this survey will be presented in this report. A descriptive method was chosen for the evaluation of the results. The report aims to offer essential insights into: first, style preferences, hair, skin and cosmetic routine; second, consumer path to purchase, and third, shopping habits. Additionally, business implications and opportunities for future growth will be identified.

5.1. LIMITATIONS

This survey contains limitations. First of all, the online survey is restricted to people who know how to use the technology, which leads to a limited sample size for ages over 50. Additionally, respondents may not answer truthfully and to the best of their knowledge. Second, as this survey covers a personal topic, respondents may not feel comfortable providing answers that present them in an unfavourable light. Also, respondents may not feel encouraged to provide accurate and honest answers. Finally, this survey can be evaluated only descriptively as the design of

the survey was not suitable for statistical research. Therefore, the assumption will be that this survey is representative with 101 respondents for the Austrian population.

5.2. QUANTITATIVE SAMPLE

The quantitative sample of the survey contained 101 respondents. The preliminary constraints for the convenience sampling made the survey available to Austrian male consumers of personal care products.

Almost 58% of the respondents were aged between 25-30. 22.8% were aged 31-38 and 15.8% fell into the 19-24 year-old group. The remaining 4% were 39 years old or and above. In regards to the marital status, more than 60% of the respondents were single, 35% were in a life partnership, and 5% were married. In the category of educational level, almost 54% had a post-graduate degree. The second largest group with almost 28% were undergraduates, followed by high-school graduates with 8% and 7% respondents with a PhD.

5.3. RESULTS

The first section of the survey is dedicated to grooming habits. The majority of the respondents (94.1%) spend at least 6 minutes daily on their appearance. 45.5% spend between 16-30 minutes and 14.9% take 30 minutes to 1 hour.

The results of the skin-care-routine survey revealed that 51% of the respondents use facial moisturizer on a daily basis; 23% use facial cleansers and 37% do not use any of the categories indicated. The ranking of reason for the use of skin care products came out as follows: first, dryness (43.6%); second, wellness (24.8%); third, acne (13.9%); fourth, redness (9.9%) and fifth, aging (6.9%). Yet, also 37,6% indicated that none of the given options are the reason why they use skin care. When looking at body care, the most frequently used product is body moisturizer, with almost 24% claiming usage. 69% respondents stated they did not use any of the options given. The main reason here was dryness (22.8%).

In order to obtain a deeper understanding of the skin care routine, a list of products was given with instructions to select the products used at least once every three months. The most frequently named product was deodorant (89.1%), which is also used on a daily basis (88,1%), followed by perfumes or colognes (81.2%) which are also used on a daily basis by 69,3% respondents. Facial moisturizer came in third with 52.5%, body moisturiser (47.5%) and facial cleanser (47.5%) followed immediately thereafter.

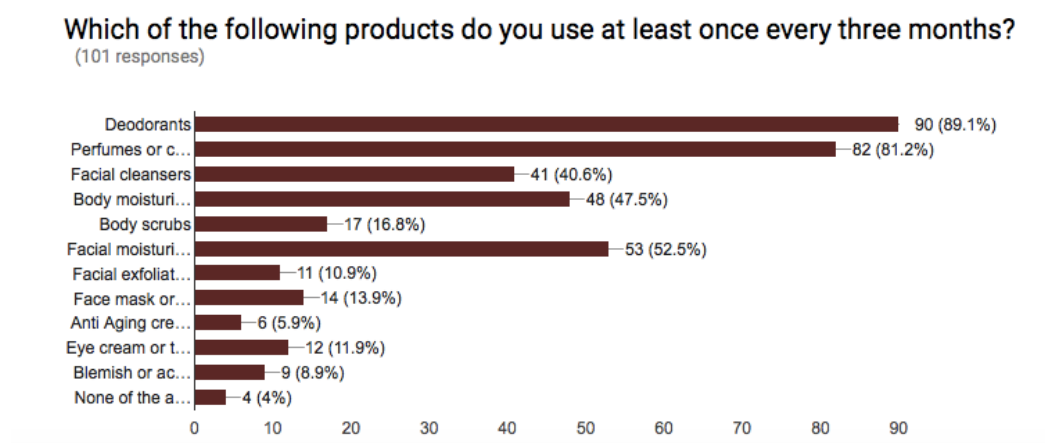


Figure 1: Use of products every three months

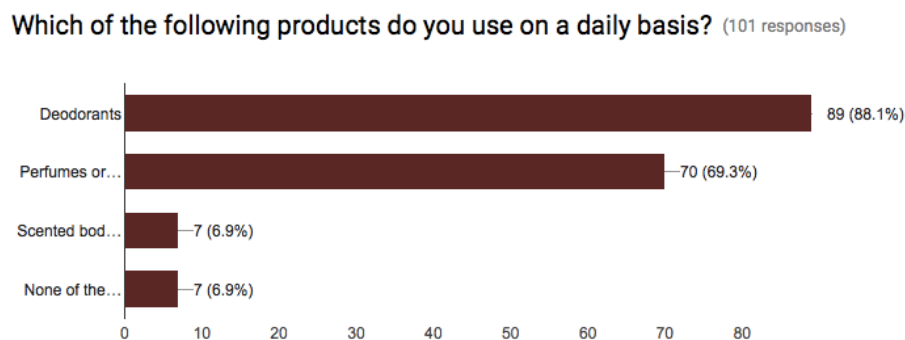


Figure 2: Use of products on a daily basis

Covering face and body care, hair care is also part of the grooming routine. Here it can be seen that the respondents use basic hair care routine, such as applying hair shampoo (91.1%), using hair styling (53.9%), cutting and trimming hair (53.5%), employing a hair dryer (42.6%), brushing and combing hair (39.6%) or applying hair conditioner (29.7%). Only few of the respondents use hair colouring (3%), apply hair oil (8.9%) or hair-loss products (7.9%). Most

of the respondents perform some sort of hair removal. 70.3% remove unwanted body hair; 68.3% trim facial hair; 65.3% shave facial hair and 57.4% remove unwanted facial hair from eyebrows, nose and ears. Frequency of shaving varies from 2-3 times per week to several times per year. Hair-trimming habits vary from 2-3 times per week to once a week.

Although cosmetic routines are normally not linked to men, 39.6% of respondents indicated that they use lip balm or lip salve and 4% use BB Cream or CC Cream.

In a second step the path to purchase was evaluated. Regarding the frequency of purchase, hair care products, skin care products, body care products and tools are bought several times per year. The main reasons why skin and hair care products are purchased are: “hair care is an important priority” (55.4%), “skin care is an important priority” (49.5%), “need to replace” (47.5%) and finally “to try something new” (26.7%).

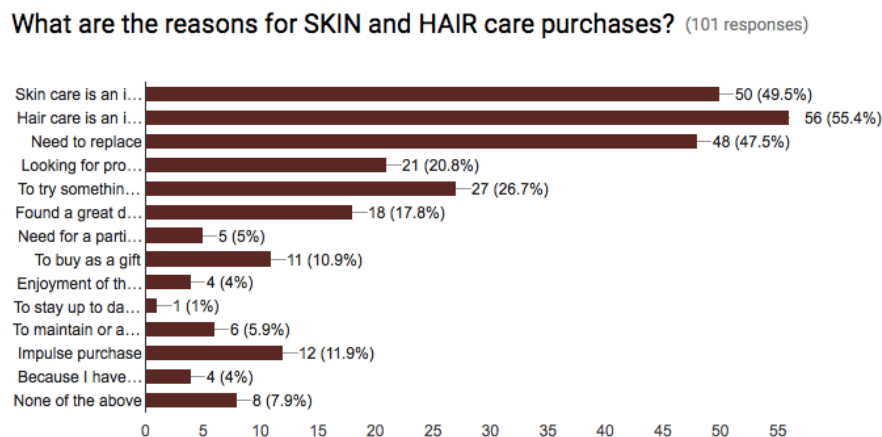


Figure 3: Reasons for skin and hair care purchase

The main influence on the purchase decision for personal care products are previous personal experience (84.2%), friends/family/spouse and partners (59.4%) and finally sales, discount and offer (26.7%), but also online user reviews (24.8%) and doctors' recommendations (21.8%) play a role in the purchase decision. When looking at skin care in particular, 61.4% say that products perceived as “high quality” have the greatest influence on their decision making. Second is “suitability to their skin” (49.5%) and third is “price” (39.6%), as well as “strong or well known brand” (39.6%). Further factors are “natural or organic” (29.7%) or “specialized

treatment” (15.8%) and “premium or luxury brand” (15.8%), as well as “multifunctionality of the product” (13.9%). Regarding the purchasing decision of hair care products, the main influencer is suitability to hair type (64.4%) perceived high quality (53.5%), price (40.6%) and strong or well-known brand (38.6%).

In terms of brand and product loyalty the survey states that hair care products and skin care products benefit from brand and product loyalty. For fragrances, however, the tendency to buy a variety of brands (52 respondents), as well to buy a variety of products (48 respondents), is higher.

Third and finally, the purchase location and purchase spending have been assessed. The primary location to buy personal care products are: drugstores (57.4%); second, grocery stores (28.7%); third, online (6.9%) and 4% buy their products in pharmacies. As for the spending, most of the respondents spend all or more than 10€ per month (39.6%); 26.7% spend 5-8€ and 20.8% spend 8-10€ per month. The most common brand named in the survey is Nivea (named 13 times), followed by L’Oreal (named 8 times) and Kiehls (named 7 times).

6. DISCUSSION OF THE TOPIC

Based on the results of the survey, grooming habits and shopping behaviour were identified, thus helping to answer the research question:

Research Question: Do multinationals meet the needs of men’s grooming in Austria?
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6.1 THE AUSTRIAN MALE GROOMER

As seen in the literature and confirmed by the survey, men spend a great deal of time on their personal appearance and use various products in their grooming routines. They attach significant importance to both skin care and hair care and devote time and budget funds to these categories. In the realm of skin care, facial care is more important than body care, with only 23.8% using body moisturizer. This finding confirms the previous statement that male consumers see body care as time-consuming and unnecessary. In terms of products, consumers

prefer high-quality products that fulfill individual needs. They are therefore willing to spend more than 10€ monthly on grooming products. Pricing plays an important role, but consumers also tend towards strong or well-known brands. High value for money is very important. Despite the literature, in the survey, multifunctionality came in only in 6th place, a fact which can mean that consumers want specialized, personalized products that tackle the individual needs independently. This also is reflected in the time consumption consumers spend on grooming, up to 30 minutes. Interestingly enough, natural and organic finished in 5th place, indicating a new trend.

Regarding brand loyalty, this study showed that consumers have a strong brand- and product loyalty, meaning that if they like the product, they are more likely to re-buy it. Yet consumers are also willing to try new products (26.7%). Personal experience plays an important role in purchasing a product, but also family, friends, spouse, or partners are great influencers, as well as online reviews. Combined with special offers, consumers can minimize the purchasing and trial risk of products.

6.2 MALE CONSUMER DECISION JOURNEY

As the results of the survey show, the male consumer decision journey is becoming more like women's decision-making. In the past, men had a utilitarian approach based on a logical decision, following the weighing-up of alternatives according to quality and price. This approach can be seen as a more linear method (Passport, 2016). Historically seen, men's motivation to buy something was a perceived "need". The current rational approach is also linked to knowing why a purchase should be made. Although this thought process is also true for females, women in addition have a more hedonic tactic, meaning they have an emotional engagement to shopping (Mpinganjira, 2014). Today, however, men are more concerned with how they look and also what products they use. Men take their time to deal with what they need and are also more willing to try new products, as the present survey shows. When it comes to

information search, women historically made more of an effort in seeking out and comparing deals and products. They were more thorough in their search than were men. Men only wanted an effortless and quick shopping experience (Seock, Bailey, 2007). This attitude has now changed: as the survey shows, men accept recommendations from spouse and partner, but also actively read ratings and reviews from online communities and social media. At the moment of purchase, men tend to focus on facts and data, whereas women have a more emotional approach without, however, disregarding objective information (Van Aswege, 2016). Male nowadays, however are also taking subjective information into account before making the final purchase decision. Regarding brand loyalty, women are less loyal than men and are more likely to switch brands if a better offer or service appears (Baron.Cohen, 2010). As the survey shows, if men are satisfied with the product, they remain loyal to the brand and product, yet we can also see a trend towards a typically female approach, as men are now increasingly more likely to try something new.

6.3 MULTINATIONALS IN AUSTRIA

After evaluating the consumer habits and shopping behaviour, a closer look at the multinationals that lead the grooming market was undertaken.

In Austria, market leaders are Procter and Gamble with their brand Gillette (M3 Power), Unilever with its brand Axe and Beiersdorf with Nivea Men.

Men's Product Portfolio	Procter and Gamble				Unilever		Beiersdorf
	Braun	Old Spice	Head and Shoulder	Gillette	Axe	Dove Men+Care	Nivea Men
	Men's shaving						
Post-Shave		x		x	x		x
Pre-Shave				x			x
Razors and Blades	x			x			
	Men's Toiletries						
Bath and Shower		x			x	x	x
Deodorants		x			x	x	x
Hair Care			x		x	x	x
Skin Care							x
	Men's Fragrances						
Fragrances					x		

Table 1: Company Product Portfolio Comparison

All three companies realised the importance of entering the men's grooming market. They invest heavily in R&D, advertising and promotions in order to satisfy male needs. With these three companies' offerings, men's grooming segments are covered as seen in Table 1.

Looking more closely at Procter and Gamble, we see that Gillette is not the only brand that addresses men. Brands such as Braun, Old Spice or Head and Shoulders offer also products in this segment. Procter is able to cover most of the men's grooming category and remains the number one brand; however, Gillette offers everything for the shaving segment, including razors, re-fill blades, shaving cream and after shave balm.

Gillette's main target group are men between the ages of 20 and 45 who are appearance-minded and modern. Such customers seek a top-quality shaving experiences. Gillette's products always include advanced technology in order to guarantee optimum shaving performance at an affordable price. Gillette also offers, in addition to its advanced system razors, more basic razors, such as premium disposal. In this way, Gillette guarantees that consumers can always upgrade to a more sophisticated product, such as the system razors (Bhasin, 2016).

Unilever's brand portfolio includes Axe and Dove Men+Care. In contrast to Procter and Gamble, Unilever does not offer products in the men's shaving segment such as razors or blades: the only product offered in this segment are Axe after shaves. The recent acquisition of the online portal Dollar Shave Club, which features razors and grooming products only for men, should rectify this situation (Unilever, 2016). Additionally, Unilever also recently launched its new Axe premium line which is targeted at the 25-30-year-old male. Its previous products were mainly targeted at youngsters and teens that have their first experience with quality personal care products (Bhasin, 2016). These products are high quality and innovative products such as the Fragrance-Release-Technology. This shower gel contains perfume capsules that remain on the skin after the shower, whenever the consumer touches his skin the capsules release a perfume, thereby guaranteeing 24-hour freshness. While Axe is still new in capturing the older male-

consumers, Unilever's Dove Men+Care has targeted this segment from the beginning. Also high quality products with mild formulas with the focus on moisturizing the skin are being offered (Unilever, 2016).

Beiersdorf's brand Nivea Men offers the widest range within our top three companies. Although it does not offer razors, it does offer pre- and post-shaving products, such as shaving creams and after-shaves. Additionally, Nivea is the only company within the top 3 also offering men's skin care products, meaning, body and facial care products. These products vary from day creams and specialized night creams to facial wash gels. Although Nivea Men has such a wide product range, it is only ranked Nr. 3. The reason therefore could be that men are only starting slowly to buy individual, specialized products such as day and night facial creams or using body cream. Nevertheless, Nivea Men is picking up on the forecasted trend which could give it an advantage in the future.

In terms of distribution, all three companies mainly sell their items at drugstores such as DM or BIPA and grocery stores, including Billa, Merkur and Spar (Nielsen, 2016). Both the literature as well as the survey confirm that this is the main selling location for men's grooming products. Especially drugstores have created "only-men-sections". They realized that they have to create these sections as men do not want to shop in women's aisle and also to save time when looking for products (Euromonitor, 2016).

In regards to the pricing strategies, differences can be seen across the brands. Gillette's pricing varies from cheaper simple products, such as disposable razors, to premium-priced razor systems. This way Gillette guarantees that all consumer find the right product for their budget without compromising on quality (Bhasin, 2016). Prices start from €3,15 for disposable to €17,95 for razor system. For shaving creams prices start from €1,95 up to €6,45. As for Axe, deodorants cost €2,45, shower gels vary from €2,45 (200ml) to 3,85(400ml), Styling €3,95, Aftershave €6,35 and Eau de Toilette €5,45 to €11,45. These prices are well received by its

consumers as they receive good value for little money. Nivea, on the other hand, is even a little cheaper. Prices start from €1,79 for shower gels and deodorants and shaving creams €2,95. Its facial care products however are premium priced starting from €9,45 up to €17,75. Similar to Gillette, Nivea Men is able to appeal to the mass, and provide products to every budget.

Product Portfolio	Gillette	Axe	Nivea Men
Post-Shave		€6,35	
Pre-Shave	€1,95-€6,45		
Razors and Blades	€3,15-€17,95		
Bath and Shower		€2,45-€3,85	€1,79
Deodorants		€2,45	€1,79
Hair Care		€3,95	€2,95
Skin Care			€3,55-€17,75
Fragrances		€5,45-€11,45	

Table 2: Pricing Portfolio

As previously stated, marketing in terms of how to reach the consumer varies from men to female. Using the same methods as on females might not work and therefore tailored male marketing is necessary. As illustrated in Figure 4 within personal care sector, Procter and Gamble is Nr.1 in media spending. Unilever is Nr.2 in media spending and Beiersdorf Nr.3 (Competitive Media Spend Overview, 2016).

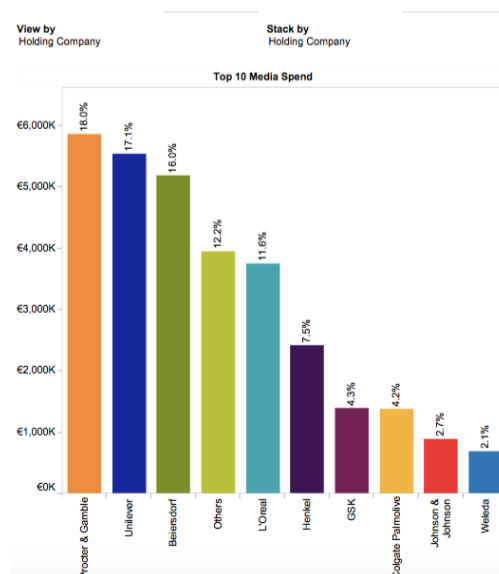


Figure 4: Media Spending Overview: Personal Care (Austria)

Assessing whether there is a correlation between media spending and market share, can not be established in this paper. Yet, it can be said that the media supports the brands in terms of brand and product awareness, and also in order to communicate with the consumer (Clark, Doraszelski, Draganska, 2009).

In order to promote its products Gillette pursues an emotional marketing strategy, meaning that the main focus is on the emotion rather than on the product itself. Its slogan “The Best a Man can get” expresses confidence and an unbeatable feeling: also the models presenting the products have these characters (Bhasin, 2016). Gillette wants to empower men through using the products, turning the basic act of shaving into a grooming ritual. Additionally, Gillette also uses celebrity endorsement featuring brand ambassadors such as the FC Barcelona football player Neymar Jr.. Not only these famous athletes are featured in the commercial: Gillette also sponsors many sports events, for example football games. It even has its own stadium in Massachusetts, USA that mainly hosts football games. Furthermore, Gillette uses print media, social media and visual media. Moreover, it has its own Youtube channel with “How to” videos and information featuring men’s grooming routines and explaining how to get the look, using product placement. Visible and always conscious in the customer’s mind, providing high quality products has helped Gillette to maintain its pole position (Marketing, 2012).

Unilever’s brand Axe is also one of the top brands thanks to its exceptional marketing campaign (Bhasin, 2011). Especially the younger segment is attracted to its products, having an Axe deodorant at home was special and cool. Not only because of the urban design but also due to the high quality and various products to chose from, almost every consumer found a suitable scent (Bhasin, 2016). Axe had a very playful image, helping teenagers feel confident and attractive when using Axe Bodysprays, the so called “Axe Effect” (McKay, 2016). This tactic was also employed in the commercials, using men that are not the typical model type but making him a womanizer when using Axe. These commercials where always very playful, for

example, the commercial for Axe Bodyspray Chocolate in which the male model turns into a chocolate man when he uses the deodorant. All women instantly wanted to “have a bite” of this man and run after him. These fun, male-targeted commercials stay in the head of the consumers, creating unique selling proposition (McKay, 2016). Axe also launched the new premium products, reaching out to an older segment, promoting the idea that all men have something unique and they just need to find it. The slogan “Find Your Magic” it highlights this message (Unilever, 2016). Innovative products, for example shower gels that include the Fragrance-Release-Technology which releases a scent when touching the skin were introduced. Launching these premium products helps Axe to not only maintain consumers but also to capture new consumers who stopped using this product because they “outgrew” it. Just like Gillette, Axe also uses print media, social media and visual media to promote its product and message. It also has its own Youtube channel called “Axe Instagrooms” where men’s grooming tutorials are featured. In contrast to Gillette, Axe does not engage in collaborating with celebrities: the company prefers to display “real men” to whom the consumer can relate, instead of trying to become more like their favourite actor or athlete (McKay, 2016).

Nivea Men’s primary target are urban males aged 18 to 35 years old who value specialized products and want to maintain a well groomed personal image. This target group is therefore willing to spend more. Nivea Men decided to pursue a mixture of above- and below-the-line promotion. Just like Gillette, Nivea Men also used the connection to sports and sponsored several sports events. The main goal was to create brand affinity (Business case studies, 2010). Above-the-line promotion was similar to that of other brands: it included television and cinema adverts in order to reach a wider audience. Additionally, print media as well as social media were implemented in the promotion strategy. Sampling was primarily used to attract new consumers and drive purchase while also creating brand awareness and consumer familiarity. After comparing the three companies and their brands this study has conducted that all three

pursue a similar strategy in terms of how to address the consumer. When looking at the offering, the portfolio is rather small than broad, not addressing all men's grooming categories. In terms of pricing, all companies realised they need to offer products in different price ranges, but still maintain the same high quality, also for the lower priced products.

6.4 COMPARISON TO THE FEMALE PORTFOLIO

Male grooming routines are far more low maintenance than are women's, not only in terms of time but also in the number of products used (Passport, 2016). Women have several steps that are implemented in their personal care routine, for example, in their facial care routine. However, in the men's skin care sector where growth and sales potential were identified, this category is widely undeveloped. Beiersdorf's Nivea Men is the only brand within the top 3 offering a more diversified facial care portfolio. Other companies still focus on multi-functional and established products (Passport, 2016). However, the findings of this study show that if companies were to diversify their portfolios, they would create new needs and demand among men. These companies, through the introduction of new products to the market, are indeed the main growth driver in the grooming segments. For the men's skin care segment, for example, facial cleansers, facial moisturisers, facial toners, facial anti-aging creams, face masks, face peelers and acne creams could be added. For the men's body care segment, such products as general purpose body cream, dry skin cream, sensitive skin cream, body scrubs or anti-stretch marks creams could be included.



Figure 5: Potential Men's Skin Care Portfolio

The findings of this study indicate that expanding the men's portfolio, along the lines of figure 5 below, to include a selection already available to women would grow the market.

7. CONCLUSION AND FINAL RECOMMENDATIONS

The results of this paper can help companies implement strategies on how to move forward in the ever growing men's grooming segment in Austria.

Men's grooming has become more sophisticated: men are willing to try new things and also their purchase decision process is becoming more complex and similar to that of women. Companies must therefore tailor their strategies to suit male consumer needs.

The skin care segment as part of the men's grooming is of special interest and offers great potential in the near future. Here companies should not hesitate to expand the portfolio by introducing new steps to the grooming routine. To capture the consumer, companies need to hit the right parameters in terms of pricing, promotion, place and product. Austrian consumers are willing to become loyal customers once they take to the product. They are more likely to pay higher prices as the perceived quality is their primary decision maker (61.4%). Also organic and natural products (29.7%) are well received by men and can offer an opportunity to reach new consumers. In terms of promotion, consumers appreciate authentic and relatable marketing. In this survey celebrity endorsements did not score high (1%) with the consumers, who were more influenced by product references from friends, family and relatives (59.4%), and also by online user reviews (25.8%). Company websites which enable the visitor to leave ratings are also highly influential.

Thus, companies need to keep investing in this segment and expand into different categories such as skin care to meet existing needs and to create new ones. Also, local needs have to be taken into consideration in fulfilling consumer demand. Trends in these categories should be monitored and adaptations in the local market must be made. In conclusion, men's grooming offers great potential and has been identified by producers of personal care products as a segment of special concentration going forward.

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